2: Murphy G-4 (no date) 1953 AF15 East China AF15

381 theless industrially out of gear with the rest of China to such an
439 extent that the match industry imported even its paper and cardboard.*

Chinese sources could maintain Shanghai's soap manufacturing, using relatively bulky agricultural raw materials, but the match industry, dependent on relatively finished and specialized materials, was obliged to rely predominantly on overseas sources. The city's market was able to hold both of these greatly dissimilar enterprises, each typical of much of its manufacturing complex.

• 306 The jade-cutting industry may be cited as a final illustration of
439 the market-oriented character of Shanghai manufacturing as a whole. While jade-cutting would presumably be less likely than diamond-cutting to gravitate to primate financial and banking centers, it is equally dependent on specially skilled labor, which is most often found in the largest cities, and on the commercial services and connections of a primate market. Most of the world's jade is mined in northern Burma, but Shanghai, rather than Rangoon or Calcutta, was the world's leading jade center for cutting, polishing, and marketing. It imported its rough jade from Burma by sea, paying a 50 per cent export duty *ad valorem*, and sold the finished product not only in China but all over the world. Japanese attempts at competition in this industry during the 1920's failed to dislodge Shanghai from its leading position.[35] An early start and accumulated skill have been more important in this industry than in almost any other, but it was the Shanghai market which attracted and continued to hold it.

The Cost of Raw Materials

435 It will be useful to estimate the percentage of total costs which is represented in different Shanghai industries by the cost of delivered raw materials in order to throw light on the competitive position of the city as a location for manufacturing. The published estimates of costs are contradictory, and the implication is that accurate information is not available, an understandable condition in view of the

* The relative importance in Shanghai manufacturing of the industries discussed above (pp. 171–178) is indicated by the tables above on pages 168, 169, and 170. Consumption figures are unfortunately not available.